GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

STARRED QUESTION NO:244
ANSWERED ON:10.08.2005
TELE DENSITY IN RURAL AREAS
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) the details of tele-density in rural and urban areas during the years 2004-2005 and 2005-2006, State-wise;

(b) whether the tele-density in rural areas is low as compared to urban areas;

(c) if so, the details thereof and the reasons therefor, State- wise; and

(d) the steps taken or proposed to be taken by the Government to increase tele-density in rural areas specially in North Eastern Region ?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY(SHRI DAYANIDHI MARAN)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 244 FOR 10TH AUGUST, 2005 REGARDING TELE-DENSITY IN RURAL AREAS.

(a) The details of State-wise tele-density in rural and urban areas during the years 2004-05 and 2005-06 (upto June 30, 2005) are given in Annexure-I.

(b) Yes, Sir.
(c) Reasons for low Rural Tele-density (RTD) are analysed below:

I. The categorisation of the States can be done based on their rural tele-densities. It is seen that four clusters emerge.

(1) States having high (over 4%) tele-density;
(2) States having medium (between 2 % to 4 %) tele-density;
(3) States having low (between 0.9% to 2%) tele-density; and
(4) States having poor (below 0.9 %) tele-density.
The States falling in these respective clusters are given in Annexure-II. An analysis of the States show that the combination of the following factors are important determinants of rural tele-density:

(i) Rural income per capita.
(ii) State domestic product per capita
(iii)Literacy rates
(iv) Rural literacy rates
(v) Percentage of rural population
(vi) Urban tele-density.

The analysis also shows that the poor rural tele-density also reflects the difficult terrain in specific States (hilly terrains in the North-East and Jammu & Kashmir − as implications for wireline service roll out). II. Other reasons for low RTD are poor availability of power impacting on the reliability of telecom service, scattered human habitations which makes provisioning of telecom service techno-commercially less viable.

III. National Council of Applied Economic Research (NCAER) has examined the economic viability of the 2647 Short Distance Charging Areas in the country. Based on this, it identified 1685 Net Cost Positive SDCAs. In these SDCAs, the cost of provisioning of service is more than the revenue generated through the services. There is correlation between the low rural tele-density and percentage of net cost positive SDCAs to the total SDCAs in States like Bihar, Assam, North-East region, Orissa, Uttar Pradesh and Madhya Pradesh. This shows that one of the important reasons is the relatively low socio-economic conditions prevalent in the respective States.

(d) The USO Fund Administrator has finalised the agreements with four telecom service providers [BSNL, Reliance Telecom Limited, Tata Teleservices and Tata Teleservices (Maharashtra)] for provision of Rural Direct Exchange Lines (DELs) in all the 1685 net cost positive SDCAs. Under this agreement, the service operators would provide at least 100 rural DELs by September, 2005 in each of the Secondary Switching Areas (SSAs) comprising these SDCAs. By December, 2005, they would be able to provide connection on demand to all the rural subscribers in net cost positive SDCAs except in very remote, hilly and inaccessible areas (for which even in VPT, satellite phones need to be installed). As far as the remaining net cost negative (viable) SDCAs are concerned, market forces are expected to take care of the emerging demand in these areas.

Additionally, BSNL has relaxed the distance for laying outdoor cables from 2.5 km to 5.0 km for landline exchanges. This would facilitate larger coverage in the rural areas from existing exchanges.

For North-Eastern region in particular, the following planning is done to provide telephone coverage in this region:-

1. BSNL has planned to provide about 89000 fixed and WLL phones by March, 2006.
2. A capacity of 18.5 lakh mobile phones have also been planned till March, 2007.
3. The private operators, viz., M/s Reliance Telecom Ltd., M/s Bharti Televentures Ltd., M/s Hutchison Essar and M/s Dishnet Wireless have been given licences for providing mobile telephony.

ANNEXURE-I

SL No.	Name of the State/Circle	2004-05			2005-06 (as on 30.06.2005)		
		Urban	Rural	Overall	Urban	Rural	Overall
1	Andaman & Nicobar	19.12	9.07	12.63	22.49	9.15	13.89
2	Andhra Pradesh	28.53	2.39	9.48	30.19	2.37	9.92
3	Assam	16.75	0.63	2.79	18.22	0.67	3.04
4	Bihar	17.63	0.57	2.36	19.71	0.57	2.58
5	Chhattisgarh	6.50	0.54	1.80	7.18	0.46	1.90
6	Gujarat	28.88	2.63	12.73	30.12	2.63	13.24
7	Haryana	28.78	2.80	10.83	29.21	2.90	11.06
8	Himachal Pradesh	68.36	6.79	13.12	78.11	6.82	14.17
9	Jammu & Kashmir	17.58	0.76	5.09	19.87	0.78	5.71
10	Jharkhand	8.42	0.50	2.30	8.56	0.51	2.34
11	Karnataka	29.98	2.49	12.19	31.26	2.49	12.66
12	Kerala	44.74	9.74	18.77	47.61	9.74	19.50
13	Madhya Pradesh	17.36	0.66	5.21	17.15	0.67	5.16
14	Maharashtra(-) Mumbai	25.23	2.56	9.96	27.71	2.59	10.71
15	North East-I	14.63	1.22	4.33	15.93	1.24	4.65
16	North East-II	12.83	1.20	3.66	14.21	1.21	3.97
17	Orissa	19.68	1.04	3.96	21.35	1.05	4.24
18	Punjab	49.21	5.33	21.94	51.57	5.34	22.89
19	Rajasthan	21.27	1.44	6.12	22.94	1.45	6.52
20	Tamil Nadu(-) Chennai	22.96	2.73	11.21	23.10	2.86	11.48
21	Uttaranchal	17.08	1.63	5.74	17.05	1.68	5.78
22	Uttar Pradesh	17.15	0.52	4.06	18.89	0.52	4.43
23	West Bengal (-) Kolkata	14.85	1.04	2.98	17.14	1.05	3.26
24	Kolkata	24.22	0.00	24.22	25.09	0.00	25.09
25	Chennai	47.56	0.00	47.56	48.03	0.00	48.03
26	Delhi	50.94	0.00	50.94	52.09	0.00	52.09
27	Mumbai	45.43	0.00	45.43	45.81	0.00	45.81
	Total	26.88	1.73	8.95	28.25	1.74	9.37

ANNEXURE-II

STATES - CATEGORY WISE GIVING THE RANGE OF RURAL TELE-DENSITY (RTD)

Category 1 RTD > 4%

1 Kerala
2 Andaman & Nicobar Islands
3 Himachal Pradesh
4 Punjab

Category 2 RTD between 2% and 4%

5 Gujarat
6 Haryana
7 Karnataka
8 Andhra Pradesh
9 Maharashtra
10 Tamil Nadu

Category 3 RTD between 0.9% and 2%

11 Uttaranchal
12 Rajasthan
13 North East
14 West Bengal
15 Orissa

Category 4 RTD < 0.9 %

16 Madhya Pradesh
17 Jammu & Kashmir
18 Assam
19 Bihar
20 Uttar Pradesh
21 Chhatisgarh
22 Jharkhand

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